bay, for the year 1986-87, together with the Auditors' Report on the Accounts.

(ii) Review by Government on the working of the Council.

[Placed in Library. *See* No. LT-5128/87 for (i) and (ii)]

SHRIMATI JAYANTHI NATARAJAN (Tamil Nadu): Mr. Chairman, Sir, I want to raise an important question.

MR. CHAIRMAN: I did not grant permission.

*(Interruptions)**

MR. CHAIRMAN: I am expunging the whole thing out of the record. Now we proceed. Message from Lok Sabha.

MESSAGE FROM THE LOK SABHA

The Representation of the People (Third Amendment) Bill, 1987.

SECRETARY-GENERAL: Sir, I have to report to the House the following message received from the Lok Sabha signed by the Secretary-General of the Lok Sabha:

"In accordance with the provisions of rule 120 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to inform you that Lok sabha, at its sitting held on the 23rd November, 1987, agreed without any amendment to the Representation of the People (Third Amendment) Bill, 1987, which was passed by Rajya Sabha at its sitting held on the 18th November, 1987."

MR. CHAIRMAN: There is some clarification which Members want to seek. Shri Chitta Basu.

... *(Interruptions)* ...

SHRI MIRZA IRSHADBAIG (Gujarat): Sir,...

MR. CHAIRMAN: No, I have not allowed you... *(Interruptions)*... Nothing of what you say will go on record.

SHRI MIRZA IRSHADBAIG: Sir,...

MR. CHAIRMAN: I will not permit you... *(Interruptions)*... All this is expunged.

CLARIFICATIONS IN RELATIONS TO THE CALLING ATTENTION STATEMENT RE. CRISIS IN THE TEXTILE INDUSTRY

SHRI CHITTA BASU (West Bengal): Mr. Chairman, Sir, the hon. Minister made a statement day before yesterday regarding the crisis in the textile industry. I do not agree with the general tenor of that statement because it seeks to express or take a complacent view of the health of the textile industry in our country.

[**The Deputy Chairman** in the Chair]

As a matter of fact, Madam, all these sectors of the textile industry, namely handloom, powerloom and also the organised mills are in a state of acute crisis. This crisis is manifested in the shortfall in machine utilisation, loss of production and steep rise in unemployment. These are the manifestations of the crisis that has crept into the industry.

The hon. Minister has claimed that the production has increased. It may go up in certain areas. But I am referring to the handloom sector. I had recently been to Nagpur to attend a meeting of weavers and textile workers. I am told that there are 13,000 handlooms under the Maharashtra Rajya Hatmag Mahamandal in Nagpur. Of these, only 9,000 are reported to be now in operation. Look at the figure. There are 13,000 handlooms under the Maharashtra Raja Hatmag Mahamandal in Nagpur. Out of these 13,000 only 9,000 are reported to be in operation now. This is the picture of the actual state of affairs in the handloom sector.

*Expunged as ordered by the Chair.

Coming to the powerloom sector, I am told that 30 per cent in Bhivandi, 40 per cent in Malegaon, 50 per cent in Dhule are closed. I think, you also agree with me because you happen to know much of it Again, there are partially closed units having work for three or four days in a week or 15 to 20 days in a month. This naturally causes economic hardship to the weavers.

Coming to the organised sector, a large number of mills in the organised sector have downed their shutters in the recent past. In Bombay only four mills have been recently closed.

Coming to West Bengal, there are at least six textile mills now closed. I am mentioning the names of those units also: Bongodaya, Dunbar, Basanti, Vidya Sagar, East India Cotton Industry. All closed. This involves a total workers complement of more than 10,000. This is the actual picture.

I am sorry to say that the statement does not present this sordid state of affairs of the textile industry in all its sectors that I have mentioned, the handloom sector, the powerloom sector and the organised mill sector.

What is the basic reason for this malady? The basic reason, Madam according to me, is the textile policy which was announced two years ago. In short, I would say, this policy is pro-capitalist, it is anti-labour, it is anti-people in all respects.

Therefore, the basic reason for this malady is the wrong textile policy announced two years ago. This has primarily and precisely aggravated the crisis that we are now facing. As a result there has been an indiscriminate—I use the word indiscriminate—export of cotton. Of course, in the Statement it is said 'release of quota for export of cotton has been suspended', but I, only to be brief, would like to resort to quoting from press reports. A despatch published in the *Telegraph* on 20th November, Says:

> "The total quantum of cotton exported has steadily grown to 13.01 lakh bales valued at Rs. 247 crores in 1986-87. In case of cotton yarn, exports have grown steadily to 27.93 million kg. valued at Rs. 1,000.97 crores in 1986-87."

Therefore, the Statement which he made is not correct according to this report.

> "In respect of export of cotton yarn, the quantity ceiling imposed in the sixties has been increased to 75 million kg. Also, the offer of cash compensatory support of 8 per cent for export of cotton yarn on all counts is still valid.

Therefore, you will understand that this is one of the reasons for the crisis.

THE DEPUTY CHAIRMAN: Please conclude.

SHRI CHITTA BASU: I will take just one or two minutes more.

THE DEPUTY CHAIRMAN: It is a clarification that you are to seek, not to make a speech. You are not supposed to make a speech.

PROF. C. LAKSHMANNA (Andhra Pradesh): It is a Calling Attention, Madam.

THE DEPUTY CHAIRMAN: You have to seek clarifications and not make a speech in the Calling Attention.

PROF. C. LAKSHMANNA: I think you are not properly informed, Madam. It arises out of the Calling Attention Motion. Calling attention is not on the statement made by the Minister.

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): It is a Calling Attention. Some Members have already spoken. Two or three Members have already spoken. They have just to participate. If they don't have to...

THE DEPUTY CHAIRMAN: Let me find out. All right, you can continue.

SHRI NIRMAL CHATTERJEE (West Bengal): You should advise your staff that such new things should not be introduced without any notice. It creates confusion.

SHRI CHITTA BASU: Now, the price of cotton has gone up. That is one of the major reasons for the crisis. The price of cotton yarn of 40 counts which was Rs. 118 to Rs. 120 per bundle of 4.5 k.g. (door delivery) in January 1987 has now shot up to Rs. 145 to Rs. 200 in August, 1987. This is what the yarn dealers charge from the weavers. Now, even in the case of supplies by the National Handloom Development Corporation of the Government of India, which arranges the supply of yarn both to the handloom corporation and the cooperative societies, has raised the ex-mill price of 40 coun. yarn from Rs. 130 in February 1987 to Rs. 183 in August 1987. You would appreciate that there has been an increase of price of yarn not only by the yarn dealers, but even by the National Handloom Developmen. Corporation, a Central Government organisation. This has caused much misery to the weavers and also raised the price. Now, janata cloth has been reserved for the handloom sector. For the production of janata cloth 40 counts are mostly required. This count constitutes about 80 per cent of the total needs and for that yarn price has gone up. The consequent effect of this price rise has been the increased cost of production of each janata saree by at least Rs. 10. Now, you understand the impact of it.

THE DEPUTY CHAIRMAN: I understand it. But then you please conclude now.

SHRI CHITTA BASU: Then, please persuade the Minister to understand the impact of it. I give simply one example. Maharashtra Rajya Hatmag Maha Mandal has a monthly production of 2 lakh sarees. This comes to a total of Rs. 20 lakhs per month if it is maintained at the same level of production. If you take into account the price rise of the 40 counts per year, the Mandal have to down their shutters. Therefore, the crisis has been further aggravated. I want the Minister to reply to these specific questions: (i) whether the Government would take over the available stocks of cotton; (ii) whether the Government would purchase the cotton from the growers at remunerative prices; (iii) whether the Government will stop fresh export of cotton yarn and also withdraw the subsidies; (iv) whether the Government would ensure that sufficient yarn is produced by all the mills including the NTC mills, (v) lastly, whether the Government would make elaborate arrangements for the distribution of yarn at the controlled prices to the handloom and powerloom sector. Thank you.

THE DEPUTY CHAIRMAN: Thank you. Shri Mostafa Bin Quasem.

SHRI MOSTAFA BIN QUASEM (West Bengal): Madam Deputy Chairman, the entire textile industry at present is in doldrums. My learned colleague has described the present scenerio in the textile field as one of crisis and a crisis affecting the interests of millions of cotton growers of our country, thousands of handloom and powerloom weavers and what is more even hundreds of millions of common consumers of our country suffer from this crisis. On the surface it may appear that this crisis has been deliberately engineered by the big monopolists dominating the textile sector. But they have been able to do so by fully exploiting the ill-conceived new textile policy of the Government. Therefore, the real culprit is to be traced in the corridors of power of New Delhi; and in their effort to serve the big monopolists, the present Government has landed the textile industry into a total mess, into the present crisis. This is my charge against the Goverment. You are aware up till now, the early seventies, our country was a heavy importer of raw cotton and particularly of the long and extra long staple variety of cotton. But recently during the last several years, thanks to the efforts and toils of millions and millions of peasants, the cotton growers of our country, the picture has changed and we have been termed to be a net exporter of cotton. Now, without compensating these achievements of the peasants, the Government policy continues to discourage the peasants by denying remunerative price for the cotton produced by the cotton growers of our country.

Madam, you are aware that the cotton growers are left at the mercy of the traders and even today they are forced into

distress sale. I am sorry, I have not the current figure with me but I have the figure for 1984-85. In 1984-85 when the crop was estimated to be over 105 lakh bales valued at Rs 2,800 crores, the State agencies had only 25 per cent share in the purchase. You know the CCI was set up to protect the minimum prices to the purchase and sale of cotton and to canalise the import and export of cotton. During the last 17 years of its existence, it has seldom purchased even 10 per cent of the total crop. Now, the hon Minister in para 6 of his statement has said," "at present the prices of cotton are ruling at levels far above the minimum support level and therefore, it cannot be said that the cotton growers have been affected" Virtually, I am constrained to say that this is a complete hoax. The Government never took into consideration the actual cost of production and other incentives to be provided to the cotton growers while fixing the minimum support price. Over this, Madam, reckless liberalization of import of chemical fibres and synthetic yarn has added to the miseries of the cotton growers of our country. Now, coming to the miserable plight of the handloom weavers and the powerloom weavers, as a direct outcome of the new textile policy formulated and implemented by the Government of India, these two sectors, that is the handloom and the powerloom sectors which continued to be the major source of employment in the whole textile sector have been severely affected. Now, so far as my information goes, more than 60 per cent of the handloom and powerloom textile sectors of our country have already been closed. Now the Government claim that the earlier textile policies failed because of differential policies in different sectors and the Government emphasised on competition amongst this sector, but any person having a minimum knowledge and wisdom can never imagine that such a feeble handloom sector of our country can compete with the organised mill sector or even with the powerloom sector. Madam, the Government has encouraged production of synthetic cloth and it has given new discriminatory fiscal concessions to the organised mill sector of the country. You know there has been reduction in duty, reduction of duty of polyester fibres and other category of blended fibres used in the organised mill sector but the powerloom sector of our country, they also make use of polyester filament fibre but they have not been allowed any concession in duty and therefore, as a result of that, the cost of production of their products is higher than the corresponding mill products. I would like to point out one or two things. On the other hand by encouraging the production of synthetic cloth and concession to the organised mill sector, this has been to the disadvantage of the handloom and the powerloom sector. Madam, I would like to refer to the conditions of the workers of the organised mill sector. The fate of the workers in the organised mill sector also is in serious jeopardy. Taking a cue from the new textile policy, the big monopolists in the country have already launched a full-scale attack on the jobs and conditions of service of the workers Even in the organised mill sector of our country, there are problems in the form of wreckless closures, lock-outs etc. resulting in retrenchments and loss of jobs on the part of the workers and according to my information, more than 1.5 lakh workers of the organised mill sector have already lost their jobs. Madam presently, there is a talk of review of the new textile policy of the Government. Now, certain suggestions are quite genuine but I would like to warn the Government that there are also talks of the review of the new textile policy by the spokesmen of the big monopolists of our country. They have given a statement suggesting a review of the new textile policy. I would like to caution the Government that their suggestion for review is to usurp some other benefits which are still lying outside their purview in the handloom and the powerloom sectors. Now, what I demand of the Government is that the Government should immediately discard totally the anti-grower, anti-worker and what is more, anti-people textile policy and that it should start formulating a new textile policy having the involvement of trade unions in its formulation. The first clarification I seek from the hon. Minister is,

[Shri Mostafa Bin Quasem]

therefore, this. Is he agreeable to this demand?

Lastly, I would also like to say, I will put it on record and I would demand that in order to protect the genuine interests of the milions of cotton-growers of our country, of the thousands of workers in the handloom and powerloom sectors and of the thousands of workers in the organized mill sector and in order to save the interests of the hundreds of millions of poor consumers and in order that the Government may be in a position to withstand the pressure of the big monopolists in the textile industry, the Government should be ready to nationalise the entire textile industry of our country. Therefore, the second clarification I seek from the hon. Minister to this or not.

With these, I conclude. Thank you.

PROF. C. LAKSHMANNA: Madam, the Minister, in his statement has stated two things. The first is that the total yarn production increased from 1382 million Kgs. during 1984-85 to 1471 million Kgs., during 1986-87. The second is that the production of cloth has increased from 12,014 million metres in 1894-85 to 12,998 million metres. This is a factual statement as given by the Minister. I only request him to look back to the discussion which took place on the floor of this House and in the other House, particularly in this House When it was claimed by the then Minister for Textiles that so many mandays of employment would be created in the coming years, and a particular figure was mentioned I had the occasion to tell the Minister that on an analysis of the figures what was being dreamed of by him would not be possibel. The amount that was available was so meagre and the machinery that was created was so inefficient or ineffective. I told on the floor of the House that it was not possible. I think what I said has been vindicated now by the statement of the Minister. If the increase has been only of an order of 984 million metres from 1984-85 to 1986-87, I would like to know from the Minister what has happened to the corresponding increase in the employment.

My second point on the same question would be about what has happened to the increase in employment in terms of the textile industry, in terms of handloom sector and in terms of powerloom sector. If you are able to look into these figures, it would be clear on the conditions of the workers also. I am not going into the dispute between the handloom and powerloom and textile workers at all. I am talking of all the three sectors of the textile industry. For the present, I am only concentrating on showing, from the figures given by the Minister, how there has been no growth of employment opportunities. Therefore, what was claimed by the then Minister on the floor of the House stands today refuted by the statement of the Minister himself. Then, let us not go into the controversy between the handloom industry, the powerloom industry and the textile industry. But as part of the new textile policy one statement, one claim, made by the Minister was that with the new registration policy the powerlooms that have sprung up in large numbers all over the country could be curbed. This was the claim. I would like to ask a very simple question What has been the number of powerlooms that came up since this particular policy cam into existence in 1985 and, subsequently, how many of them came under the umbrella of registration and how many powerlooms still remain unregistered? What steps have been taken by the Government to bring those unregistered powerlooms under the umbrella of registration? How did they fail to enforce this regulation on them? This is the second clarification I wanted to seek from the Minister.

Thirdly, I had written to the Prime Minister as also to the Deputy Chairman of the Planning Commission on 20th September 1985 that the new textile policy which was coming into force was likely to adversely affect the handloom weavers. In the policy, as in all other policies, there has been no effort to involve State Governments and basically the problem of handloom weavers is a problem of the States, be it Tamil Nadu, be it Andhra Pradesh, be it Maharashtra, be it U.P. or any other State. Unless there is a concert-

ed discussion with the State Governments, the policy cannot be successful. But in the statement itself the Minister describes how the State Governments have to formulate long-term policies. This is what is bothering me. On the one hand, the Minister says that there should be long-term policies formulated by the State Governments; on the other hand, the Union Government, while formulating its policy, does not take the State Governments into confidence. Threfore it is time you sat with them and tried to sort out the problem and then reconsider the new textile policy and see that succour is given to those in the handloom sector or may be in the textile sector, may be in the powerloom sector, so that there will be one important thing achieved, viz., the workers will be benefited.

Then as regards export, over a period of two to three years global trade has increased from 47 per cent to 49 per cent. The whole global trade in terms of textiles has increased. But India's contribution in this entire tradematrics remains at 1 per cent over the years. I would not say that it has gone down; it has remained at 1 per cent. In a country like India with so much of cotton being produced, with so many people in the handloom textile and powerloom industry being there, and with so many people being desirous of promoting this industry, we still constitute only 1 per cent. Therefore, the question that I would like to ask the honourable Minister is: When are we going to raise it to a substantive level when the world trade itself has gone up? I had been to some of these countries. Even China, which was far behind us in the textile industry, in the garment industry, in the silk industry, has gone ahead of us. This is the claim of China and I think it is a legitimate claim for her. Therefore how is it that we lag behind? What made us lag behind even some of those countries which were traditionally far behind us in terms of trade, in terms of development, etc.? Madam, there was to be a National Co-ordination Committee for the National Handloom Museum and this Committee was set up with the Development Commissioner for Handloom as the Chairman with seven members. What has been the result? What has been the outcome of this Committee? What steps have been taken subsequently? Have the recommendations of the Committee been accepted and worked out? What has been the result? On all these points, Madam, I would like to have the clarifications of the Minister . (*Time Bell rings*). Just one point, Madam. I am not saying anything irrelevant.

As regards the National Handloom Development Corporation, what has been its impact? Has there been any monitoring and has there been any assessment after the creation of this Corporation? If such a monitoring has taken place, I would like to know from the honourable Minister the consequences of this monitoring and how they have favourably or unfavourably affected the industry.

THE DEPUTY CHAIRMAN: Thank you.

PROF. C. LAKSHMANNA: Madam, I am just coming to the last point. Just one point only.

Madam, a Sub-Committee was appointed and it was the Sub-Committee of the Standing Committee on Handlooms. It was set up some time back. What have been the recommendations of this Sub-Committee? Have they been taken into consideration in assessing the impact of the new textile policy? I would like to know these also from the honourable Minister.

There is one more point and it is about the Textile Consumer Protection Regulation. It was issued for implementation on 15th August and then it was postponed to 15th November... (*Time bell rings*)... Just one point only, Madam.

THE DEPUTY CHAIRMAN: Every time you are saying that that is the last point, but you go on making points. This cannot go on like this.

PROF. C. LAKSHMANNA: Madam, this is an important point. The commencement of this Regulation has been deferred for some time. It has been stated that the date from which the Regulation will come into force will be notified subsequent-

[Prof. C. Lakshmanna]

ly But this has not been done so far What is the reason for deferring or postponing a thing which has been formulated by the Government? So, about this stamping, the compulsory stamping of the price on the cloth other than handloom, I would like to know from the honourable Minister whether it has been effected and, if it has not been effected, what has prevented the Government from seeing to it that it is done. If he gives answers to these questions of mine, Madam, I think he would have clarified as to the way in which the new textile policy has been in progress. Thank you.

THE DEPUTY CHAIRMAN: Now, Mr. Pramod Mahajan.

श्री प्रमोद महाजन (महाराष्ट्र) : उपसभापति महोदया, इस सरकार ने सत्ता ग्रहण के बाद ज्यादा जोश में और कम होश में जितने भी समझौते किए और जितनी भी नयी नीतियां घोषित कीं, वह सभी आज आसन्न-मरण दिखायी दे रही हैं । दो वर्ष पूर्व घोषित वस्त्र उद्योग नीति की भी स्थिति इससे भिन्न नहीं है । रूई उपजकर्ता किसान, कपड़ा उत्पादक मजदूर, चाहे वह हथकरघे का हो या बिजली करघे का हो, मिल मजदूर या कपड़े का ग्राहक-इन तीनों का इस वस्त्रोद्योग नीति ने शोषण किया है और अगर शोषण किया है तो केवल मुट्ठीभर सरकार के कृपापात्र कपड़ा उद्योगपतियों का किया है । वस्त्रोद्योग परिवार में आज सबसे पीड़ित रूई का उपजकर्ता किसान है । मंत्रीजी का अपने वक्तव्य में यह कहना कि रूई की कीमत न्यूनतम समर्थन स्तर से काफी ऊंचे स्तर पर है, इसलिए रूई के उत्पादन पर कोई प्रतिकूल प्रभाव नहीं पड़ रहा है, यह आश्चर्यजनक है, दुखदायक है और इतना ही नहीं धरातल कीवस्तुस्थिति के सम्बन्ध में इसके मंत्रालय के भयानक अज्ञान का प्रदर्शन है । रूई की न्यूनतम समर्थन कीमत पहले ही इतनी कम होती है कि बाजार की कीमत इससे कम होने की कभी भी संभावना नहीं होती और इसलिये बाजार में थोड़ी सी कीमत अधिक होने से रूई उपजकर्ता किसान बहुत आनन्दायी स्थिति में है यह मानना अपने देश के गरीब किसानों के अर्थशास्त्र के प्रति अपना अज्ञान प्रकट करना है । किसानों को लागत के आधार पर रूई की कीमत कभी नहीं दी जाती । केवल गत दस वर्षों में रूई उपजकर्ता किसानों को क्या कीमत मिली और गत दस वर्षों में कपड़ों की कीमत कितनी बढ़ी इस के अनुपात भी अगर हम पता लगा लें तो किसानों की हालत का पता चल जाएगा । लेकिन मानव निर्मित रेशों के उद्योगपतियों से बुरी तरह प्रभावित सरकार इस नीति में सब से पहली बलि किसानों की चढ़ा रही है । उपाध्यक्ष जी, मैं महाराष्ट्र से आता हूं । महाराष्ट्र में देश के 42 प्रतिशत बिजली करघे हैं । भिवंडी, मालेगांव, शोलापुर आदि स्थानों में चार लाख लोग इस से अपना रोजगार प्राप्त करते हैं । इस में अधिकतर लोग गरीबी की रेखा के नीचे अपना जीवन बिताते हैं । नयी वस्त्रोद्योग नीति ने हथकरघा क्षेत्र को सुरक्षा प्रदान करने का प्रयास किया, इसके बारे में मुझे कोई शिकायत नहीं । हथकरघा क्षेत्र इसका उद्योग का सब से दुर्बल क्षेत्र है और अत्योदय की नीति के अनुसार यदि उसे पहले स्थान पर रखें तो उस पर कोई आपत्ति नहीं हो सकती । लेकिन इस का अर्थ यह नहीं होता कि आप बिजली से चलने वाले करघा क्षेत्र के कपड़ा उद्योगपतियों के इशारे पर इस नीति को बलिवेदी पर चढ़ दें । यह केवल हमारा मत नहीं है । यह महाराष्ट्र के लाखों बुनकरों का मत है इतना ही नहीं, महाराष्ट्र सरकार का भी यह अधिकृत रूप में मत है कि आप अपनी वस्त्रोद्योग नीति में परिवर्तन करें । इस प्रकार का प्रार्थना करने वाला महाराष्ट्र सरकार प्रार्थना करने वाला महाराष्ट्र सरकार ने अधिकृत रूप से केन्द्रीय सरकार को लिखा है जिस में उन्होंने आप की वस्त्रोद्योग नीति की कड़ी आलोचना की है । सब जानते हैं कि यह सरकार आप की अपनी पार्टी की है । नयी वस्त्रोद्योग नीति ने यंत्र-चालित करघा क्षेत्र को मिल के साथ जोड़ दिया । उन्हें कोई सुरक्षा प्रदान नहीं की । इस नीति के पहले एक्साइज ड्यूटी में बिजली के करघा क्षेत्र को रियायतें मिलती थीं । आपने वह बंद

1 P.M.

कर दी । मिलों के लिये तो पालियेस्टर रेशा ड्यूटी आपने कम कर दी लेकिन बिजली के क्षेत्र के लिये जो पालियेस्टर फिलामेंट यार्न मुलभूत है उसकी ड्यूटी में आप ने कोई कटोती नही की । मिलों को आप ने सुरक्ष प्रदान की और करघो की उसी प्रकार की ड्यूटी रख कर आप ने उन्हे संकट में ढकेल दिया । यहा पर जो यंत्रचालित करघे है उनको बिक्री कर देना पड़ता है, मिल वालों को देना नहीं पड़ता और इससे हमारे बीच मे असंतोष का निर्माण होता है ।

समयाभाव के कारण सभी समस्याओ का यहां उठाना मुश्किल है, लेकिन आज महाराष्ट्र का यह यंत्रचालित करघा क्षेत्र अपने अंतिम क्षण गिन रहा है और यदि केन्द्रीय सरकार इस समय उनकी सहायता के लिये आवश्यक कदम नहीं उठायेगी तो यह क्षेत्र पूरी तरह से मरणोन्मुख है, इसके मर जाने की पूरी संभावना है । इस दृष्टि से मै निश्चित रूप से कुछ मांगे उठा रहा हूं जिस पर मंत्री महोदय ध्यान से न भूलते हुए अपने उत्तर में अपनी सरकार की प्रतिक्रिया दें ।

मेरी पहली मांग तो यह होगी कि इस वस्त्रोद्योग नीति के पहले बिजली चालित क्षेत्र को जो एक्साइज ड्यूटी मे रियायतें दी जाती थी क्या सरकार इस मांग को स्वीकार करेगी कि वे रियायते फिर से इस क्षेत्र को दी जायें ।

क्या पालियेस्टर फिलामेंट यार्न पर की ड्यूटी कम की जायेगी ।

क्या राष्ट्रीयकृत बैंकों को इस प्रकार के आदेश दिये जायेगे कि यंत्रचालित करघा धारकों के ऋणों का पूनर्मूल्यांकन किया जाय और इसके लिये किसी प्रकार की व्यवस्था हो । जैसे हथकरघा क्षेत्र को नेशनल कोआपरेटिव डेवलपमेंट कारपोरेशन की ओर से आर्थिक सहायता की जाती है, क्या यह आर्थिक सहायता यंत्रचालित करघा क्षेत्रों के लिए भी आगे बढ़ाई जाएगी ? महोदया, भिवडी, मालेगांव, शोलापुर आदि क्षेत्रों में एन० टी०सी० की ओर से निश्चित दाम पर पर्याप्त मात्रा में यार्न देने के लिए क्या डिपो खोले जाएगे और इस प्रकार जो उनकी चार-पाच प्रमुख मांगे है, उनको पूरा करने के लिए आपकी प्रतिक्रिया क्या है, यह बताएं ।

उपसभापति महोदया, अत मे मुझे इतना ही कहना है कि लगता यह है कि यह वस्त्र उद्योग नीति राजनेताओं की बनाई हुई नही है । वस्त्र उद्योग क्षेत्र के उद्योगपतियो ने अधिकारियों को साथ लेकर यह नीति जनता पर थोप दी है और इस नीति के कारण आज 790 करोड़ रुपयो की रियायतों का टॉनिक आपने बड़े उद्योगपतियों को दिया है। लेकिन फिर भी उनके आरोग्य मे कोई सुधार नही हुआ । आज 120 मिले बंद है और और भी मिले बद होने की प्रक्रिया में तेजी से जा रही है । लाखों मजदूर जो मिल क्षेत्र मे काम करने है वे दर दर की ठोकरें खा रहे है । ऐन० टी०सी० का घाटा 1298 करोड़ तक पहुंचा है, किसान परेशान है, और उपभोक्ता, ग्राहक को आज भी कपड़ा सस्ते दाम पर नहीं मिलता । आखिर इन वस्त्र उद्योग नीति के रिलायेस को अधिक रिलायंस बनाने का ज्यादा प्रयास किया हो, लेकिन जो भूखा बूनकर हो, या मजदूर हो या किसान हो या कपड़ा खरीदन वाला ग्राहक हो, इन सब को बरबाद किया है । इसलिए मेरी अंत में इतनी ही प्रार्थना है कि सरकार अपनी इस गलत वस्त्र उद्योग नीति को प्रतिष्ठा का प्रश्न न बनाए और अपनी वस्त्र उद्योग नीति पर फिर से विचार करे, पुनर्विचार करे ताकि उपज कर्ता, किसान, बुनकर, तथा ग्राहकों के लिए उनको प्राधान्य देते हुए एक नई वस्त्र उद्योग नीति का निर्माण हो । यही मांग मै इस समय करना चाहता हूं । बहुत-बहुत धन्यवाद ।

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Madam Deputy Chairman, when the textile policy was being discussed in this House, while welcoming it I had stated that in the implementation of this textile policy if the Government feels that some sectors have not been benefited by it or if the policy needs modification , then the Government should consider to modify it in due course They

[Shri Ghulam Rasool Matto]

should make an indepth study of it and come out with new proposals. I think the time has come when our textile policy needs to be gone into again. We have to see that the sectors which have not been provided relief should get that relief . I think a high-powered committee should be instituted to go into this aspect and to see which of the factors in our textile policy have not worked correctly. Thereafter, necessary modification should be made.

Madam Deputy Chairman, Mr. Chitta Basu has narrated the plight of the powerloom industry in Bhiwandi and other places. Mr. Chitta Basu says that only 30 per cent of the capacity is being utilised in Bhiwandi. I have to bring to the kind notice of the hon. Minister the situation in the North. The situation in Amritsar, Ludhiana and Jammu and Kashmir has got to be taken into consideration. Madam Deputy Chairman, in Kashmir, Ludhiana and Amritsar the decentralised worsted suiting and weaving sectors have suffered tremendously. Every unit has been suffering losses for the last two or three years. At present the position is that many of these worsted spinning plants in Ludhiana, Amritsar and Kashmir which are in the decentralised sector are not working. I tried to go deep into the matter to find out what the situation is Even with regard to the textile industry as a whole I find that there is one major factor which is responsible for this sorry state of affairs And that is our policy of Open General Licence. This needs a real modification. Why I say this, Madam, is because a Bhiwandi powerloom or a powerloom installed by some composite mill about 20 or 30 years ago has to compete with a powerloom set up by the Reliance factory or any other unit which has come into production now. The Reliance factory's new power loom produces 20 times more than the powerloom that has been set up in the composite sector 20 years ago. What is the policy under OGL? A man who has got sophisticated machinery gets an edge over a man who has powerloom under the composite sector set up 20 years ago Naturally he can produce 20 times more. So, the same thing has happened with regard to worsted spinning industry because wool is also under the OGL. And this needs a reapprisal. Now, in order to conserve our foreign exchange and in order to see to it that even small units can compete with sophisticated and modern units, it is essential that circumstances must be created so that the small man can also exist. Now the question is: how will this man who has set up a new sophisticated mill compete with the others? What used to happen previously right from the Manubhai Shah was in the Industry Ministry was that the exporters used to get a replenishment licence which they are getting now also. And those who wanted it, they would buy those licences from those exporters and make good their requirements, if they were manufacturing sophisticated items, they could meet their additional requirements by buying the licences but they would not affect the small powerloom units or small mill-owners. That is the main reason why the OGL must be done away with.

Now I come to the second point which is very important so far as Jammu and Kashmir is concerned. The hon. Minister is also the Minister in charge of handlooms carpets and other handicrafts. In Kashmir a new trend has started, Madam, we are very famous for manufacturing hand-knotted carpets which are as good as any Persian or other carpets. Previously the wharp used to be cotton and the weft used to be woollen worsted yarn. It was replaced about four or five years back by pure spun silk which we used to import from China. This pure silk carpet competed with any carpet in the world and it could last even upto hundred years and we had tremendous exports in this sector. But, unfortunately, vested interests were created that instead of pure silk, staple fibre is being used and sold as pure silk. The unfortunate part of it is that vested interests have been created in the manufacturers in the exporters and also in some wholesale buyers in the foreign countries. For instance if the pure silk carpet is being sold at Rs. 350 a sq. ft. this staple fibre carpet which looks as bright as the pure silk carpet is being sold at Rs 185 a sq. ft. Madam, the staple fibre is the weakest

fibre in the world. If this trend is allowed to persist, if the manufacture and export of staple fibre carpets instead of pure silk carpets is allowed, I warn the Minister that we will lose all the exports of carpets from Kashmir. Apart from being the weakest fibre in the world, staple fibre also gets easily wormeaten. It is a very weak fibre. If a consumer in Germany or any other place buys that carpet, after one or two years, the carpet gets completely finished, thereby giving bad name to the country of its origin. If this is the position tomorrow nobody will buy a Kashmir carpet, because the wholesaler there also has created a vested interest and he says that it is a pure silk carpet. The wholesaler who sells to the retailer in West Germany France or Italy also tells him that it is a pure silk carpet. This trend has grown during the last six months. I warn the Government that they should stop the export of staple fibre silk carpets. Only silk carpets of pure silk must be allowed to be exported.

Madam Deputy Chairman I tell you this thing that vested interests have been created even with regard to this matter also that these carpets are being surrepititiously exported as woollen carpets. Some people in connivance with certain officials do it They give 20 per cent incentive on woollen carpets. So, the Government of India should announce. I think there will be many people, even some carpet manufacturers in Kashmir may resist it. But in the long-term perspective of this important industry; the Central Government should put its foot down and no carpet should be allowed to be exported after 31st December, 1987, which is made of staple fibre yarn. If this is done then alone the carpet industry in Kashmir will survive. Otherwise it will not survive. The Doomsday of this age-old industry will not be far off.

My last point is with regard to our orders with Rupee Currency Areas (*Time bell rings*). We are having rupee currency arrangements with Russia and they presently buy from us certain woollen knitwears. But unfortunately, Madam what they now try to buy from is mohair, angora and other things, and no wool. If we exported woollen hosiery things to them, about 50 per cent of that in terms of the combing industry in terms of the spinning industry, in terms of other inputs would form a components from India but what they are buying from us is Angora. Angora is being imported as yarn by the importers. Only a small fabrication is being done here It is being imported at Rs 275 or Rs 300 a kg and it is being exported at Rs. 35 a kg Now, you see the ramifications of this are that we are spending foreign exchange in buying that Angora from Japan and other places but we in turn are selling it to Rupee Currency Areas. This is a drain on our foreign exchange. The result is that our combing industry is paralysed, our spinning industry is paralysed. It is very important that the Government while taking orders from any Rupee Currency Area, should ensure that the maximum percentage, the maximum component of that rupee should be Indian, whether in terms of labour, whether in terms of raw material or whether in terms of conversion cost and not that only 10 per cent or 5 per cent of it is indigenous and the rest is from foreign exchange that we have to spend and which has been earned by us with great difficulty under International competition. That should not be done. Government should look into it. Only last week I am told that Russia has placed some orders for woollen knitwears only Wool is Rs. 2 or Rs 3 Crores birth whereas Angora orders are for Rs. 15 crores for which we have to import the yarn from outside. I think the Govt. should took into it and take remedial measures in order, and the worsted spinning industry from collapsing. These points may please be taken into consideration and I hope the Minister will react to what I have said.

SHRI K. G. MAHESWARAPPA (Karnataka): Madam Deputy Chairman, the Minister has given figures so far as the production of cloth in all the three sectors is concerned. During 1984-85, 12,998 million metres of cloth was produced. Though there is as light increase in the production of cloth in the handloom and powerloom sectors, there has been a downward trend so far as the mill cloth production is concerned.

[Shri K. G. Maheshwarappa]

If I can give the figures, in 1984-85, it was 3,432 million metres, went down to 3,375 million metres in 1985-86 and further to 3,300 million metres in 1986-87. I think, the Minister has given the figures in respect of all the three sectors, Madam, there is a severe crisis in the textile industry so far as the mill sector is concerned. I will confine myself only to the mill sector So far as handlooms, powerlooms and the price of cotton are concerned, other Members have spoken. Therefore, I will confine myself to the crisis in the mill sector. As has been mentioned, hundreds of mills have been closed and thousands of workers have been driven to the streets. But the stand of the Government is that the mills are becoming sick because they are not modernised and because the State Governments are not prepared to retrench the workers. Is it a proper policy? The learned Minister, in one of the general body meetings, said that the States have refused to retrench the workers. Yes. We refuse to retrench the workers. As you know, the NTC took over a number of sick mills. The hon Minister is aware of the recent judgement of the Bombay High Court. The NTC went to the High Court and sought permission to retrench the workers The High Court refused. The objective of the NTC in taking over the sick mills was only to rehabilitate the workers and make the mills viable. But unfortunately the Central Government is telling the State Governments either to close down the mills or retrench the workers. This policy is detrimental to the textile industry. In fact, an assurance was given by the Union Minister, Mr. Krishna Kumar, I think, in one of the general body meetings The Minister said that the Union Government was proposing to call a meeting of State Governments' representatives etc. in the next two months to look into the various problems of the industry, particularly, in West Bengal and other States Has such meeting taken place? In Karnataka, a large number of mills have been closed in a small city like Davangere, from here I come, four mills have been closed and nearly 8 to 10,000 workers have been thrown out of their jobs, though they may be in the private sector. In Mysore city, an important textile mill has been closed. In West Bengal, the number of mills closed is the highest. This shows that there is something wrong with your policy. The Central Government has not taken it up very seriously The hon. Minister assured that he would call a meeting, within two months, of State Governments' representatives, representatives of the Central Government, of the industry and trade Unions. But so far no step has been taken. There is no rationalisation of the excise duty.

Madam, it is said that a fund has been created to rehabilitate the sick mills and the workers thrown out of their jobs. We do not know how much relief has been given. The hon. Minister has not mentioned anything about this in his statement. It is easy to tell the State Governments that the mills should be modernised But have you assessed how many mills which have been modernised have been closed? The problem is not one of non-modernisation. A number of mills have been closed even though they have been modernised. I am not holding a brief here for the mill-owners. But unfortunately, the mill sector is facing a grave crisis. What steps Government have taken? The assurance given by the Minister in the 83rd general body meeting of the textile conference has not been fulfilled The Government has created a fund for textile industry to rehabilitate labour. Whether it is being used, at what level it is being used and whether the States have been benefited by that fund, nothing is known The target for the production of cloth in all the sectors during the Seventh Five Year Plan appears to be about 14,500 million metres, but the target in respect of the mill sector has not been achieved in the first two years of the plan

Now, the demand for cloth has increased from the consumer. With the increase in population the demand also has increased, but in conformity with the demand the production is not there. I fully support my friends when they say that handloom and powerloom sectors should be encouraged, but at the same time I would like that the organised textile sector should

not be neglected. As promised by the learned Minister, a conference of all the industrialists, State Government and Central Government representatives and others should be called immediately to look into all the problems of the organised textile industry.

I will now draw your kind attention to my last point. Under the Sick Industry (Special Provisions) Act, the Board is constituted It is located in Delhi and the bench is sitting only in Delhi As you are aware, the sick companies have to file statutory, mandatory petitions before the Board and by the time they come to Delhi they become more sick Therefore this *quasi judicial body is not that much use*ful. It has also not started functioning properly Other financial institutions also are party to those proceedings Even proper rules have not been framed for functioning of this Board. There are no clear guidelines as to how these matters have to be dealt with, what type of award that Board has to give and how the award is binding on the sick industry, on the State or the Central Government. These are the matters which should be considered by the Union Ministry of Textile. The Working Group has also not been functioning properly. So, immediate steps should be taken and the interest of the workers who are thrown out of job in this organised sector may be looked into. Their problems should be immediately taken into consideration by the Union Government

THE DEPUTY CHAIRMAN: Shri Chimanbhai Mehta is the last speaker. After he has completed, we will request the Minister to reply and then we will break for lunch

SHRI CHIMANBHAI MEHTA (Gujarat): Madam Deputy Chairperson, I think all the sectors of textile industry, whether it is the mill sector or the powerloom sector or the handloom sector, are in crisis The paradox that I am finding here is that the mill sector is blamed by power loom and handloom sectors whereas mill sector is blaming both the sectors

SHRI SUKOMAL SEN (West Bengal): Is it the decision of the Business Advisory Committee to skip lunch hour today? The Minister could as well reply after lunch break.

THE DEPUTY CHAIRMAN: You have not followed me. We are not skipping lunch Only after the reply of the Minister we will break for lunch. It will be for one hour. (*Interruptions*). Mr. Mehta, try to be very brief.

SHRI CHIMANBHAI MEHTA: I will be very brief because others have sufficiently elaborated their viewpoints, but all cannot be so correct and all cannot be so wrong. Actually, the production growth from the organised mill sector for *the last three to four decades has remain*ed almost at the same level While the powerloom sector has grown—which is very good because it gives employment—there is no big increase in the spindlage of the organised textile sector or looms. Even then 125 mills have been closed in the organised mill sector Because I belong to a textile workers' union, so I would say that still more mills are likely to be closed Three days back Ajit Mill, a very important mill of Ahmedabad, closed down and 29 mills in Gujarat are closed. Sometimes we look from the angle whether Government is favouring some other sector That is not the case either It is neither favouring mill sector nor the powerloom sector, nor the handloom sector at the cost of each other. They have their own policy There is some rationale behind it

But what they have not taken into consideration is a foreign element which is not a legal competitor, but is an illegal competitor—i.e. the smuggled goods One can find that there are smuggling points in Dubai Hong Kong, Bangladesh, Nepal, across Kutch border with Pakistan etc. and it is estimated, though not authentically corroborated that about 2000 million metres of cloth are being smuggled. Now we are producing only 3400 million metres of cloth in the organised textile sector That means, more than 50 per cent of the cloth produced in the organised sector is being smuggled into this country If you can prevent this smuggling then you can give jobs to 4 lakh workers in

[Shri Chimanbhai Mehta]

the organised textile industry, 6 lakh workers in the powerloom industry and many more in the handloom sector. But on this vital issue, you have never given any serious consideration, because it is a question of affecting revenue.

I know there is a very high excise duty on polyester filament yarn which is also required by the powerloom sector. On a cost of Rs 32, there is a tax of Rs 84 per kilogram. A saree that should cost around Rs. 90 is costing around Rs 147. Same is the case with suiting and shirting Therefore smuggling is very attractive; it gives tremendous profit in spite of the risk involved and so many other things

So I would like to know from the Minister whether they have considered this aspect in depth. They have been answering questions in Parliament, orally as well as in writing, that smuggling is there and they are trying to prevent it. the machinery has been strengthened and new machines are being brought. But there is enough incentive for smuggling. When on a cost of Rs. 32 per kilogram of filament yarn, you are charging an excise duty of Rs 84, that means you are out to allow, ignorantly, big scale smuggling Now some people might say that if you reduce this duty on polyester filament yarn, you are helping the industrialists'. I do not understand the logic behind this If you do not want to study the economics of cotton industry and if you want to talk in the jargon of trade unions, then you can certainly say that the fellow is a henchman etc But here is a fact which has to be considered and an answer should be given whether the Government has considered that smuggling is a major factor.

I have been saying, well, if you don't want to reduce the excise, then you prohibit contraband goods by destroying them But you allow contraband goods You seize them, then allow a sale and legalize the sale after auctions and other things. What prevents you from destroying them if you want to maintain this high structure of taxation? At least you can destroy them. Then we will know, here is the foreign textiles and here is the local textiles, unless foreign textiles also come as copy of Indian textiles. I know, they can copy our brands, our colours and designs and put them here, but it may not happen in that big way. So, let us find out. This should be examined. This is not being done.

Then there are two or three points I will just read them out because the time is limited. They are about the jute industry There is a problem with excise duty on jute goods which is very high. Gradual reduction and final abolition of that should be considered.

THE DEPUTY CHAIRMAN: You need not refer to jute. This is about the textile policy.

SHRI CHIMANBHAI MEHTA: Then there will be some savings and the millowners will come forward for modernization of the jute industry.

THE DEPUTY CHAIRMAN: You are talking about jute, Mr. Mehta.

SHRI CHIMANBHAI MEHTA: For the sake of modernization, the West Bengal Government has to accept rationalization of labourers. Minimum prices for jute goods may be fixed, because 93 per cent of the cost of production is controlled by the Government's rules and regulations. Also, the mill-owners should be forced to pay the current Provident Fund and ESI dues, without which the excise should not be accepted Thank you, Madam.

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA): Madam Deputy Chairman, this discussion on the Calling-Attention motion for textile industry has covered the whole gamut of the industry, from the grower of cotton to all other sectors. Honourable Members have covered the whole field and given a number of suggestions.

Madam textiles is a very important industry in our country and it gives employment and work to millions and millions

of people in the villages, in the towns, in the rural areas and in the cities. Government is fully aware of its importance in our national life from the economic, social and every other point of view.

Broadly, there are three sectors of the industry—the unorganized handloom sector, the unorganised powerloom sector and the organised mill sector. Madam, you would have observed from the speeches made here that there are some inherent contradictions in the interests of the various sectors: Some Members have, in the same breath, tried to support all the sectors and, obviously, there have been contradictions in their arguments and their presentation If you want higher prices for the cotton grower, how can you expect reasonable prices of cotton yarn for the handloom and powerloom sectors? So, because of this obvious contradiction, there is a demand all over that the textile policy has failed and therefore it should be reviewed. Madam, the textile policy was meant, basically, to reconcile the varying and, at times, conflicting, interests of the various sectors and, therefore, it has not found favour with any one sector, and all the sectors are more or less, feeling dissatisfied. This is bound to happen when you have a very balancing proposition like the new textile policy where the various interests have to be reconciled and given proper place.

The textile policy can be judged from three or four points of view, and it has proved successful from those angles. There has been an increase in overall cloth production, there is an increase in per capita availability of cloth, there is a great increase in exports, and the rate of increase in the price of cloth has been minimal Compared to the general rise in the cost of living, it is very little; just 2 4 per cent as against more than eight per cent in the general index, which means the common man is benefited. He is getting more cloth at a very reasonable price compared to other consumer goods and other things that are available to him. So, while the difficulties that have been mentioned are real, and I will briefly spell out what I propose to do for them, I would like to say that the policy has by and large succeeded in is aim and has proved quite satisfactory. Therefore, to review it in a manner that would satisfy everybody is just not possible. But, as we go along, we are trying to modulate this policy and implement this policy in a way in which we can give as much satisfaction to a sector which needs attention at a particular time. So there is no question of this policy having been framed on account of pressures from the mill sector or the capitalists in the mill sector as has been said, because they have suffered the most There has been increase in the production in the handloom sector, increase in the production in the powerloom sector, but there is a fall in the production in the mill sector. As has been said mills have been closed in Ahmedabad and Bombay. If it were weighted in favour of the capitalist, in the mill sector as it has been said, why have they suffered the most? So, we have tried to do a very balancing exercise in this way, and we will see that we try to protect everybody to the extent possible

But, why is it that all the sectors are suffering? Madam, there is some basic difficulty in the whole situation which we have tried to go into There has been excess capacity in the weaving side and there has been fall in purchasing power because of the successive droughts and floods. These are two important reasons as of now why all the sectors are suffering. It has been said that the yarn prices have risen or the cotton prices have risen. It has not contributed so much as it has been made out

Now I will just come to some figures regarding the price of cotton. Cotton prices have risen pretty high. But, if you take the price rise so far as yarn is concerned, it has not been as bad. From June, 1985 to September, 1987, raw cotton prices rose by 62 9 per cent Cotton yarn prices during the same period increased by only 33 5 per cent We have been varying our policies as we went along. First we decided to export cotton because last year there was a glut in cotton and we had to procure a larger amount of cotton from the producer at the minimum support price. So, we thought that a little export would help the pro-

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ducer, and we allowed the export. When we saw the prices rising, we stopped that export. Instead, we gave permission, again a regulated permission, in closes, for export of yarn which has some added value. But, that has also been done in a very regulated way. As I said, in spite of the export, the rise in the prices of cotton yarn is only 33.5 per cent. Another thing is, if we had not exported yarn, many of the yarn mills, spinning mills would have closed down because their profitability would not have worked in a way in which they can sustain themselves without some profits from export.

In the co-operative sector, the mills would have been in great difficulty, and the main request was from them that some export of yarn should be allowed so that the overall economy of the spinning sector is regulated. So, broadly, the situation is that the price has not risen to the extent they have said.

The role of the Cotton Corporation of India is that it buys any amount, any quantity of cotton that is offered at the minimum support price. Last year we procured a large amount because the prices were low. This year very little has been procured because the prices are already high, which is quite satisfactory. But, at the same time, a demand is made from the mill sector, powerloom sector, handloom sector that we should have more cotton so that the prices do not rise beyond a certain amount. What I mean to say is that the policy is a dynamic one and we are implementing it in a way that it seeks to meet the situation as and when it arises.

I will now refer to certain points that have been raised by the hon. Members. There are so many points. I would not be able to cover all of them.

First of all I would like to say what we have done for the powerloom sector. What we have done for the handloom sector is pretty well known. We are committed to the preservation of the handloom sector in great health. We want it to get strengthened because in it are involved millions of people from backward classes, from minorities, really backward and poor people. We have chalked out all sorts of schemes to help them. These schemes have been mentioned in the House on many occasions.

Now, there are a lot of sympathisers for the powerloom sector which was being criticised all over. Handloom sector was taken by the side of the powerloom sector and blamed for their own problems. The mill sector always criticises the powerloom sector, but the powerloom sector contributes substantially to the overall production of cloth in our country. So, whatever its base, whatever type of origin it had, we want to strengthen this sector in every possible way. We do not want to write it off. Far from it, we want to write the powerlooms are modernised and people working in the powerlooms are assisted to the extent possible.

One thing that the Textile Policy did was to regularise all the powerlooms as a vast number of them were illegally established because they did not have proper promotions. So, we registered all of them. We have regularised all of them. One reason why we cannot have a viable policy for powerlooms is lack of data and statistics. Another reason is lack of cooperation from the State Governments. We have given power of registration to the State Governments. They have received applications, but the disposal of these is very slow. I would just give an example of Maharashtra which has such a big concentration of powerlooms. We presume that the State Government is interested in their welfare. Merely writing to us does not help. They write to us all sorts of things against their conduct and nature. They have received 3.4 lakh applications. Only 10 per cent of them has been disposed of. We have been writing to them and telling them to please do something about this so that we are able to know the capacity of this sector; how many people are involved in this and how we go about helping this sector. There is another thing we have asked them to do. So much has been said about the yarn prices. There are cooperative spinning mills, there are spinning mills run by the State Textiles Corporation and by our NTC mills.

We have clearly stated that the State Government should have a mechanism at the State level in which the NTC will cooperate, the cooperative spinning mills should be brought around. At least the State sector should be brought around They should meet from time to time, arrange for reasonable prices, arrange for supplies to the decentralised sector within the powerlooms, in this, but I am sorry to say that Maharashtra has done nothing in this respect There are other States like Andhra Pradesh and Tamil Nadu which have a mechanism. They consult each other; they consider the position of the yarn supplies and try to go in a proper way. And if any relief is to be provided, whether it is the Nagpur weavers which Chitta Babu has mentioned or the powerloom people which Shri Kulkarni has mentioned, the State has to take an active role in this. There is a powerloom corporation in the States We have requested the State to reactivise it. See if you can be helpful to them. Yarn prices have to be coordinated. We, in the NTC, have given them an open offer that we will give yarn at the mill price at any place that the State Government wants us to do We have asked them that all the spinning mills in the State should be made to join in this and this is what we propose to do.

A mention was made about the National Handloom Development Corporation.

SHRI CHITTA BASU: They are also charging higher prices.

SHRI RAM NIWAS MIRDHA: It is not a producing organisation. Please hear me

It is an organisation which supplies yarn on indent basis. The State Governments, the apex corporation and such other bodies have to send them indents that in a particular area we want so much of this yarn at this particular time. It is not being done. We are not sellers of yarn We are not traders. The Handloom Development Corporation does not deal generally in yarn. It is only back to back. If they bunch their requirements on a particular area about dyes and chemicals, about yarn, they would do it It is a very recent organisation and since one or two years it is in operation It has a turnover of almost Rs 8 crores and for this also we have written to all the States to get cooperation from the National Handloom Development Corporation. Again I say it is not a producing organisation. It has to procure from somewhere and give it to them with the least possible expenditure as a middleman. Even the middlemen's profit we have brought in. I again appeal to all the States' organisations either in the cooperative sector or otherwise to cooperate with the development corporation so that we can give proper relief.

SHRI CHITTA BASU: My point was even that corporation is charging higher charges.

SHRI RAM NIWAS MIRDHA: It procures from 'X' place and gives it to 'Y' organisation. So where is the question of higher charges? It is not manufacturing. It does not store things. It procures from a particular source and then supplies it to others at a margin less than any other normal trader would do. That is the whole benefit of this organisation. It does not do anything of that nature This is what we are doing.

Some mention was made about the statement made by the previous Minister of Textiles and the policy was discussed which would result in increase in employment opportunities in the handloom sector. Well, the basis of that statement was that in the textile policy—you—criticised before in a general way, see how good points it has—one of the things he said was that the production of Janata cloth would be taken away from N.T.C. and gradually transferred to the handloom sector. This was a policy decision and as a result of this, the target has been increased from 350 million sq. metres in 1984-85 to 524 million sq. metres in 1986-87. So the calculation was if you transfer the obligation of Janata cloth from N.T.C to the handloom sector, a few lakh jobs would materalise which I believe has happened because after all you need more weavers to produce this cloth. There was nothing wrong in what he said and what he said was that

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the handloom sector will get more and more response for producing Janata cloth and that they would profit from this by way of employment.

Honourable Member, Shri Matto raised a number of points about the silk carpets. Well, I would not like to go into the details Madam, there is a scarcity of silk in the whole country. We produce 8,800 tonnes of silk as of now. It has been increased in the last few years. It is going to be 10,900 tonnes by the end of the Seventh Plan. This is our target and we will reach it, if not exceed it. But States like Jammu and Kashmir and Uttar Pradesh have to make concerted efforts to increase production I have been in touch with Chief Minister of Jammu and Kashmir and I have requested him and made him various suggestions. Fortunately, he has accepted some of them Their production of raw silk is falling over the years Then, to talk of sending only silk carpets is contradictory. It cannot help There is a demand for synthetic carpets also How can you deny this export?

SHRI GHULAM RASOOL MATTO: If you guarantee me that carpets made of staple yarn are exported and sold as staple yarn carpets, then, I will concede that you are correct But this is being exported as pure silk carpets. That will spell disaster to this industry. That is number one Then, number two is, there is some misunderstanding with regard to the production of silk in Kashmir, we produce Mulberry silk which is used in sarees and other things It is only in Karnataka that we produce spun silk of 40 count variety which is used by the carpet industry. The major portion of the silk used by carpet weavers in Kashmir is from China spun silk and other places.

SHRI RAM NIWAS MIRDHA: I am coming to this. You are not going to get silk from China from now onwards Please have a warning We get 2,000 tonnes of silk from them under various export and import schemes, etc. Now they are dragging their feet. We have taken it up with them at the diplomatic level. They want more of silk in their own country. They have clearly said so. If not this year, next year, it is going to dry up on a certain date. We have to prepare that silk and the only way is to increase production.

I was in Varanasi three days back and I saw a very fine silk weaving industry. They need 2,500 tonnes every year And the production in U.P. is just 23 tonnes. You can blame anybody but China's raw silk is the only source that we can have. On the cotton side, we can get viscose. We can import cotton but there is no silk in the world excepting China and their policy is to gradually stop the export of their raw-materials so that they can make fabrics and sell it. They have a right to do so. We do not blame them I have told in so many words to various authorities in Uttar Pradesh as well as in Jammu and Kashmir that very serious effort has to be made for increasing the production of our raw silk in our country. Otherwise, the whole industry in Jammu and Kashmir, in Banaras and in other places would come to grief So while these short-term measures would be examined and resorted to, ultimately salvation lies in self-reliance and self-sufficiency and the Government has a number of programmes. We are preparing a Rs 500 crore project for the World Bank just to increase our raw silk production. Madam, who produces the raw silk? The poorest of the poor produces raw silk, the backward classes, the Harijans, the tribals; it is they who produce it It is employment-oriented and I think, it is a very good sector and I would request the hon. Members to approach their State Governments to make an effort to produce raw silk in their States. In Rajasthan, we are producing it in tribal areas . Every State has a place where we can do it If the hon. Members take it up with their respective State Governments I think, we will not only provide employment to millions of people but we would save weavers in the process. (*Interruption*).

SHRI A G. KULKARNI (Maharashtra): Mr. Minister, you have not

replied about the cost handicap between the organised and the powerloom sector. Are you interested in getting it examined?

SHRI RAM NIWAS MIRDHA: Madam, there are a lot of complications in the so-called cost factor. Some research studies have given one result and the other studies have give some other result. One set of opinion is that even as of now, in the powerloom sector because of low wages and even minimum wages not being paid, the other factors still weigh slightly in their favour. But I would not enter into this discussion right now This reduction in duty differential in favour of mill sector, as you put it, was done before the textile policy came into operation and not after that. It is not a part of that policy. It was done for reasons that both sectors which have their own weaknesses and strength should be made to compete on a comparable basis and I do not think, the time has come when we can seriously review that proposition because it needs a lot of studies which may or may not result in any concrete results. But we have done a lot of things to help the powerloom sector which have not been done before. The powerloom sector never got any bank finance for establishing or modernising powerlooms We have permitted that. The IDBI has issued orders that they are prepared to reimburse the State Financial Corporations if they give loan for the powerlooms. We have established a task force to take care of the working capital needs of the powerloom sector. We have established powerloom service centres to upgrade the technology of the powerloom sector We have written to the State Governments. This is one of the most disorganised sectors We have requested the State Governments to help in forming cooperative societies of smaller powerloom owners But there again, particularly from Maharashtra, there has not been much response. (*Interruption*).

SHRI A .G. KULKARNI: You see when they fail completely, we come to the Centre. About their wages also, whether it is Maharashtra or U.P Government; they get equal wages with the composite mill and how can you say that the power loom sector are exploiting.. (*Interruption*).

SHRI RAM NIWAS MIRDHA: I have not said so. I have said that certain public opinion says this. (*Interruption*).

SHRI A G. KULKARNI. That is, the ICM said so.

SHRI RAM NIWAS MIRDHA: Don't pass it off so brusquely. It is much more serious than what you are making it out to be. But I tell you the real thing lies in the strengthening of the sector by these methods. I can even calculate as to how much it is effective (*Interruption*).

SHRI A. G. KULKARNI: It is due to the lethargy of the State Government. That is why, I cam coming to you You please help the powerloom sector and ban the State Government from operating.

SHRI RAM NIWAS MIRDHA: The Central Government cannot substitute itself for this. The cooperative is a State subject How can you interfere with them there? We have given them a pattern. We have been able to assist the handloom sector becouse they are in the cooperative fold and we have no hesitation in helping the cooperative societies if the same pattern emerges in the powerloom sector We would have done the same thing to the extent possible for the handloom sector also. So that almost depends on the State Government. The only thing I can say in the end is that these are conflicting interests We are trying to reconcile them.

2 P.M About smuggling, the estimates of emuggling given by the hon. Member are not what the Government believes they are There are certain ways of looking at smuggling. The Customs people make seizures and we are in touch with them Even if you reduce substantially the excise duties on synthetic yarn etc., I do not think it will make such a condition that smuggling will cease. Therefore, losing of revenue etc. is not advisable. We are going to reduce the duties. But to say that if you reduce the excise duty, smuggling will cease is incorrect. We do not believe in that. (*Interruptions*) There are certain ways

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of looking at it. The Customs calculate. They calculate with reference to the seizures, the total illegal import or smuggling.

SHRI CHIMANBHAI MEHTA: You are talking of reduction of excise duty. I say it is a simple question of arithmetic. For example, DMT produced at Rs. 32 per Kg. is taxed by Rs 84/- per Kg. Remove that Rs. 84/- and you will find the difference. *(Interruptions)*

SHRI RAM NIWAS MIRDHA: I am *not convinced. The Government is* not convinced. Even if there is a substantial reduction in the excise duty as mentioned by the hon. Member, smuggling will not substantially go down. This is our understanding of the whole thing. Not only these, but chemicals, computer parts etc. are coming in. That will have an economic logic of its own.

SHRI CHIMANBHAI MEHTA: Then destroy the goods that are coming. *(Interruptions)*

SHRI RAM NIWAS MIRDHA. We will certainly do it.

SHRI CHIMANBHAI MEHTA: If you are promising that you will... *(Interruptions)*

THE DEPUTY CHAIRMAN: Please do not enter into arguments.

SHRI RAM NIWAS MIRDHA Madam, suggestions have come before us. But there are no short-cuts to tackle a situation like this. We have to pool ourselves up. All sectors have to cooperate. On behalf of the Government of India and on my own, I can assure the hon. Members that as far as the industry is concerned, we are open to ideas and suggestions all the time and we are committed to the fact that the industry has not only to be revived but be enabled to play an important role in our economic life and I think the Textile Policy as formulated, and as we go on implementing it, would substantially help us in this direction.

SHRI GHULAM RASOOL MATTO: Can we get an assurance from the Minister that the various points raised by the Members will be examined by the Ministry and the Members will be informed in due course about the steps taken?

SHRI RAM NIWAS MIRDHA We will do that.

THE DEPUTY CHAIRMAN: Now the House stands adjourned for lunch and will meet again at 3.00 P.M. The special mentions will be taken up at the end of the day, after 6.00 P.M.

The House then adjourned for lunch at three minutes past two of the clock.

The House reassembled after lunch at six minutes past three of the clock, *the* **VICE-CHAIRMAN (SHRI G. SWAMINATHAN)** of the Chair.

ANNOUNCEMENT REGARDING BILLS CONCERNING THE MINISTRY OF SHRI RAJESH PILOT

THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN): I wish to inform the honourable Members that the brother of Shri Rajesh Pilot is seriously ill and, consequently, the Bills relating to him will be taken up by him today The Chairman has asked me to inform the House of this.

THE EQUAL REMUNERATION (AMENDMENT) BILL, 1987—Contd.

THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN): Now, the Minister, Mr Ajit Panja, to reply to the discussion.

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI AJIT PANJA): Sir, in reply to the points made by the honourable Members, I would start by saying that 13 Members have spoken on this Bill.